

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
525 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 3
to
CONTRACT NO. 071B2200300
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
FedResults, Inc. 12801 Worldgate Drive, Suite 500 Herndon, VA 20170	Leigh Grady	Leigh.Grady@fedresults.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	(855) 533-3737	3633

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DTMB	Brad Pagratis	(517) 241-5086	pagratisb@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Terry Mead	(517) 284-7035	meadt@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: GovDelivery Digital Communications Management			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
September 15, 2012	September 30, 2013	3, one year	September 30, 2015
PAYMENT TERMS		DELIVERY TIMEFRAME	
N/A		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	1 year	<input type="checkbox"/>		September 30, 2016
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$1,127,000.00		\$392,700.00	\$1,519,700.00	

DESCRIPTION: Effective September 10, 2015, this contract is exercising the last option year and adding \$348,000 for ongoing GovDelivery Email and Subscription Management. In addition, \$44,700 has been added for the development, and execution of a strategic marketing campaign to increase the Department of Health and Human Services (DHHS) chances of successfully finding and increasing the number of qualified foster families. (per attached proposal and documentation). DHHS will also be added as a user of this contract. All other terms, conditions, pricing and specifications remain the same. Per contractor agreement, Department of Technology, Management and Budget (DTMB) Procurement approval, and the approval of the State Administrative Board on September 10, 2015.

GovDelivery Program Services Proposal for Michigan Department of Human Services (MIDHS) Foster Care



Introduction

Approximately 13,000 Michigan children are in foster care at any given time and MIDHS recruits parents each year that can provide a safe, nurturing home for these children until they can be returned to their families or potentially provide permanent homes.

Recruiting families for the foster care system can be a difficult task even under the best of circumstances, and with limited staffing resources it can make it even more challenging. In the past, MIDHS has engaged target audiences through mass marketing channels, such as the television and newspapers, and radio advertising with minimal impact. That being said, developing a strategically planned integration of traditional mass marketing and social channels with direct digital channels (email and text) will significantly increase MIDHS's chances of successfully finding and engaging foster families. Furthermore, the ability to automate digital campaigns will allow for tailored messages to create long-term, direct connections to impact the actions of individuals.

MIDHS currently uses GovDelivery Communications Cloud technology primarily to grow its online audience and as a distribution channel for digital messages by email and text. The purpose of this proposal is to describe how MIDHS can engage GovDelivery Program Services to assist in expanding the awareness of the MIDHS Foster Care program, increasing the number of Michigan residents who have an interest in becoming foster care parents and ultimately driving them to successfully complete the steps required to obtain a license. The ultimate goals of the MIDHS outreach efforts will be twofold:

1. Increase the number of qualified foster families
2. Retain and leverage the current base of foster families

MIDHS Can Engage GovDelivery's Program Services

GovDelivery has been helping public sector organizations achieve dramatic results by driving the maximum potential and value. Having driven thousands of initiatives across a broad spectrum of government, no one understands better than us how to accelerate results. Molded by on-the-ground experience, we have crafted and refined the following Program Services. Each option has clear and distinct value and drives results. They can also dovetail together to provide comprehensive results across the full spectrum of digital communications requirements.


- **Audience Acceleration** – leverage GovDelivery's network of clients and digital strategies to grow audience and convert new online traffic to online store visitors
- **Digital Campaign Management** – end to end digital outreach support including design, develop, test and reporting to maximize campaign effectiveness
- **Managed Services** – ongoing access to professional resources to assist with strategic planning of outreach efforts with 83 local offices, system optimization, and analysis

GovDelivery Program Services Proposal for Michigan Department of Human Services (MIDHS) Foster Care




Audience Acceleration

One-time services to help you dramatically accelerate your audience acquisition efforts and allow MIDHS to directly connect with individuals on an ongoing basis.

Type of Service	Description	Service Overview
 Audience Acceleration	Growing the size of your audience is critical to the success of any program. This service helps you reach more people and identify and connect with them in a targeted way to deliver more relevant communications.	<ul style="list-style-type: none">• Prominent positioning in the GovDelivery Network Featured Government Update• Audience Acceleration Agency Cross-Promotional Program• Integration with Digital Advertising• Mobile "text-to-subscribe" campaigns• Other online tools (i.e. overlays, widgets)

Digital Campaign Management

End to end digital campaign support. Our team will plan and create, implement and report to ensure maximum results.

Type of Service	Description	Service Overview
 Digital Campaign Management	This support service systematically helps you to adopt proven email and SMS techniques that compel people to take action in impactful ways regardless of which device or browser is used to read messages.	<ul style="list-style-type: none">• Design and format templates to optimize engagement• Develop message strategy and campaign automation• Test and analyze to maximize outcomes• Provide detailed reporting on campaign effectiveness

Managed Services

Ongoing comprehensive digital communications services that provide on demand access to a team of experts who can provide guidance to connect mass channels both offline and online with direct channels, such as email and SMS through proven strategies.

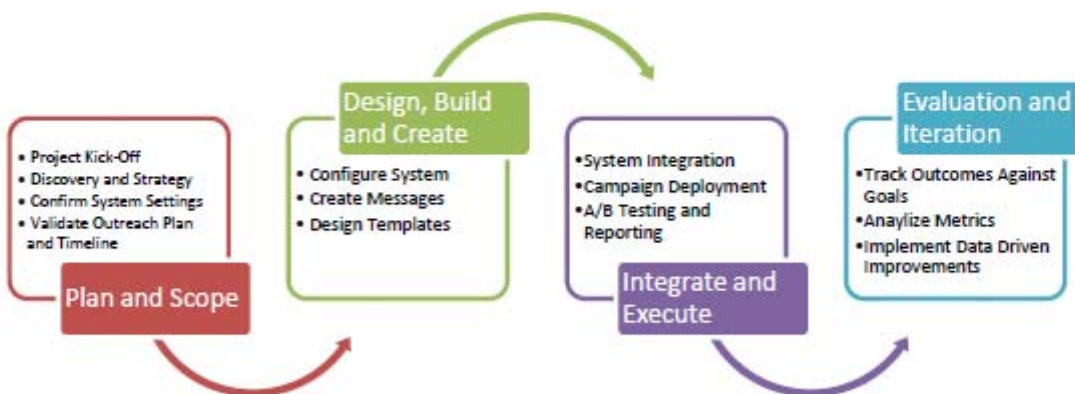
GovDelivery Program Services Proposal for Michigan Department of Human Services (MIDHS) Foster Care



Type of Service	Resources	Service Overview
 <p>Managed Service</p>	<p>Expertise includes:</p> <ul style="list-style-type: none"> • Digital Strategists • Campaign Specialists • Designers • Business Intelligence Analysts • Programmers • Project Managers 	<p>Access to a team of experts to assist with monthly initiatives including but not limited to:</p> <ul style="list-style-type: none"> • Strategic Planning • System Administration and Optimization • Subscription Management • Monthly progress reports

GovDelivery Project Process

Having driven thousands of initiatives across a broad spectrum of government, no one understands how to accelerate results better than us. As shown below, GovDelivery has a proven four-phase process to ensure successful project outcomes.



GovDelivery Program Services Proposal for Michigan Department of Human Services (MIDHS) Foster Care



Plan and Scope

GovDelivery will facilitate a 60 – 90 minute Kick-off and Discovery meeting to review information on the project process, establish roles and responsibilities confirm goals and performance metrics as well as provide an overview of the project schedule and timeline. The focus of the Discovery session is to gain a better understanding of the target audience and demographics, current stakeholder engagement, past successes, other planned outreach activities.

Deliverable: Project Management Plan

Design, Build, and Create

Based on the information gathered through the Discovery session including existing MIDHS content, GovDelivery will configure the Communication Cloud system to fulfill mission objectives, develop a complete campaign plan that outlines the strategies for reaching and building a database of key stakeholders, provide turn-key integration elements and strategies to maximize subscriber acquisition, create draft messages, a campaign execution schedule and performance metrics.

Deliverable: Campaign Plan and Strategies

Integrate and Execute

Ongoing over the period of performance, GovDelivery will create a series of campaigns that will drive action toward MIDHS's awareness goals. GovDelivery will define, design and deploy messages in agreement with a determined and approved schedule, capture metrics and analyze performance to maximize campaign performance.

Deliverable: Campaign Tracking and Performance Reports

Evaluation and Iteration

Successful public sector digital communications is born from a commitment to reach a large and relevant audience in a manner that drives immediate measurable impact. It is important to track engagement activity throughout the campaign in order to evaluate the success of your outreach activities and make changes necessary to increase awareness and keep stakeholders actively engaged.

Deliverable: Text Outreach Tracking and Reporting

- Monthly Status Reports
- Final Report



GovDelivery Program Services Proposal for Michigan Department of Human Services (MIDHS) Foster Care



We are abiding by the terms and conditions of the existing contract 071B2200300 between FedResults and the state of Michigan all terms, conditions, pricing, specifications remain the same

Terms & Financial Information

Subscription Agreement: <http://www.govdelivery.com/pdfs/subscription-agreement.pdf>

Period of Performance: One year from date of contract award.

The annual fees are due in full at the beginning of the term, net 30 days from receipt of an acceptable invoice.

Procurement Method

Federal Consulting Group (FCG)

The Federal Consulting Group (FCG) within the Department of Interior offers GovDelivery services through an Interagency Agreement (IA) against a competitively awarded contract.

Scope & Pricing

The following chart demonstrates GovDelivery's breakdown of proposed costs for this effort. This proposal is a Firm-Fixed Price (FFP) submission.

Pricing Summary for Program Services
<ul style="list-style-type: none">Audience Acceleration (120 days or until goal of 12,000 new subscriber growth is achieved)<ul style="list-style-type: none">\$12,000.00Digital Campaign Management<ul style="list-style-type: none">\$20,000.00Managed Services (Average 20 hours per month)<ul style="list-style-type: none">\$12,700.00
<p>Total Annual Investment: \$44,700</p> <p>Procurement through the Federal Consulting Group (FCG) ensures that pricing remains consistent for a minimum of 2 option years provided that the scope of service does not change.</p>

Proposal valid through December 31, 2014



Pat Moore | Regional Accounts Manager
e: Pat.Moore@govdelivery.com | p: (651) 757-4143

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GovDelivery Program Services Proposal for Michigan
Department of Human Services (MIDHS) Foster Care



Agreement and Acceptance

By signing this proposal, the undersigned certifies they have authority to enter the agreement. The undersigned also understands the services and terms.

Michigan Department of Human Services

X Signature: Stacie Bladen 12/16/14
X Name: Stacie Bladen (please print)
X Title: Deputy Director - CSA (please print)
X Date: 12/16/14

Billing Information

Contact Name: Jessica Deering
Contact Phone Number: 517-241-10679
Email: DeeringJa@michigan.gov
Billing Address: 235 S. Grand Ave,
Suite 514, P.O. Box 30037,
Lansing, MI 48909

PROJECT PLAN & TIMELINE

MiDHHS Foster Care Recruitment Campaign

June, 2015



CAMPAIGN OVERVIEW

Campaign Goals

Approximately 13,000 Michigan children are in Foster Care at any given time. GovDelivery serves as an extension of MiDHHS staff to recruit parents that can provide a safe, nurturing home for these children until they can be returned to their families or potentially provide permanent homes. The goals of this campaign are two-fold:

- Increase the number of qualified foster families
- Retain and leverage the current base of foster families

To increase the number of qualified families, GovDelivery digital strategists deploy proven methods to capture target audiences by leveraging the GovDelivery Network and reaching relevant subscribers. GovDelivery aims to acquire 12,000 new Michiganders subscribed to the foster care topic and contribute to achieving 1,500 new, qualified foster families. Additionally, GovDelivery's outreach experts develop effective, custom-designed bulletins paired with compelling copy to drive audiences to take the necessary actions to move them through the conversion process to become qualified foster families.

Campaign Elements & Execution

Launch messaging, ready for approval and dissemination, will raise overall awareness of MiDHHS's Foster Care program and drive audiences to take action. Responses to this initial campaign outreach allow GovDelivery's digital engagement specialists to segment the audience based on bulletin performance metrics and allow for data-driven refinements to inform future campaign messages.

It is important to note that outreach will be adjusted and enhanced based on monitored metrics of bulletin performance as GovDelivery engagement specialists will pivot campaign execution as needed.

The elements below are executed each month throughout the duration of the campaign January 2015 – December 2015 as included in GovDelivery's Managed Services solutions. These efforts require an ongoing team of engagement professionals, including engagement specialists, business intelligence analysts, email developers and communications campaign strategists to execute the elements below

- Conduct initial and ongoing topic and account optimization to maximize audience acquisition
- Implement ongoing audience acquisition techniques through GovDelivery Network, website tools and cross promotion through Audience Acceleration services
- Create copy, content and themes, including foster care month, welcome messaging, etc.
- Design bulletins, adjust creative assets and conduct deployment testing to optimize user experience across all consumption devices and operating platforms
- Update branding assets and organization name across all outreach according to upcoming and ongoing organizational mergers and changes
- Plan and execute bulletin elements A/B testing for each send to ensure winning outreach; subject lines, calls-to-action, day, time of day, marketing appeals, etc.

CAMPAIGN OVERVIEW

- Review website traffic analytics to ensure social-listening best practices are implemented
- Employ audience segmentation strategies to focus and target messaging
- Monitor and evaluate performance of bulletin sends, audience acquisition
- Collect data on conversion rates from MiDHHS and partners to pivot approach as needed
- Analyze and assess metrics for campaign performance and report compilation

Audience Acceleration Deliverables (executed for a period of 120 days or until 12,000 new subscribers are acquired)

- Prominent placement in the GovDelivery Network Michigan Featured Government Updates
- Ongoing A/B testing of topic language performance to ensure maximum sign-ups
- Monitoring and evaluation of topic performance by engagement strategists and data analysts
- Transfer of subscribers directly to the Foster Care and Adoption topic in the MiDHHS GovDelivery account

Digital Campaign Management and Monthly Outreach Deliverables, Tasks and Activities (executed for a Period of Performance of one year per GovDelivery contract details)

- Create customized creative assets and images
- Produce monthly content calendar (see sample calendar below)
- Draft weekly bulletin copy, bulletin template design
- Draft weekly SMS message copy
- Test bulletins for device and operation platform optimization
- Test SMS messages for device optimization
- Send bulletin and SMS message for client approval
- Execute bulletin A/B testing sends
- Execute SMS message sends
- Execute A/B testing for each send to ensure winning outreach; subject lines, calls-to-action, day, time of day, marketing appeals, etc
- Review bulletin message analytics and send remaining bulletin per winning A/B tested elements
- Facilitate outreach with Michigan partners to increase foster care subscriber growth
- Send weekly welcome message

Managed Services Monthly Outreach Deliverables, Tasks and Activities (executed for a Period of Performance of one year per GovDelivery contract details)

- Conduct strategic planning sessions to outline future initiatives
- Manage system administration and topic optimization for the foster care and adoption related topics

CAMPAIGN OVERVIEW

- Manage foster care topic in Michigan Featured Government Updates, determining key word optimization
- Manage subscription and subscriber transfer from digital capture streams
- Produce monthly report detailing key performance indicators, best practices and recommendations presented to the client

Sample Monthly Outreach Calendar

Sun	Mon	Tue	Wed	Thu	Fri	Sat
29	30 Welcome Message Test, Winning Appeal Message	31 Welcome Message, Winning Appeal Message	1 Monitor Michigan Featured Government Updates	2 Welcome Message, Winning Appeal Message	3 <i>Good Friday</i> Monitor Michigan Featured Government Updates	4 Welcome Message, Winning Appeal Message
5 <i>Easter</i>	6 Monitor Michigan Featured Government Updates	7 <i>World Health Day</i> Themed Messaging Test	8 Monitor Michigan Featured Government Updates	9 Welcome Message, Winning Appeal Message	10 Metrics Assessed, Refinements Applied	11
12	13 REPORT PRESENTED Welcome Message, Winning Appeal Message	14 Monitor Michigan Featured Government Updates	15 <i>Tax Day</i> Campaign Messages Test	16 Welcome Message, Winning Appeal Message	17 Monitor Michigan Featured Government Updates	18 Welcome Message, Winning Appeal Message
19	20 Metrics Assessed, Refinements Applied	21 Monitor Michigan Featured Government Updates	22 <i>Earth Day</i> Themed Messaging and Campaign Messages Test	23 Monitor Michigan Featured Government Updates	24 <i>Arbor Day</i> Welcome Message, Winning Appeal Message	25
26 Welcome Message, Winning Appeal Message	27 Monitor Michigan Featured Government Updates	28 Welcome Message, Winning Appeal Message	29 Monitor Michigan Featured Government Updates	30 Welcome Message, Winning Appeal Message	Notes: Audience Acceleration is ongoing throughout the entire month	

Metrics & Reporting

A comprehensive campaign performance report is sent and presented to the client on or about the

CAMPAIGN OVERVIEW

second Monday of each month. This allows time for the collection and assessment of metrics from all digital outreach channels. Action and conversion rates from client information, such as the Navigator reports, will be incorporated as accessible to the GovDelivery engagement team.

Additional information regarding managed services

- **Who has access** - Erica Quealy, Marketing Specialist, Michigan Department of Health & Human Services Office of External Affairs & Communications and the project resources are designated specifically for the Foster Care program's recruitment efforts to grow the number of licensed and qualified foster parents, as well as maintain and leverage existing foster parents. Erica will serve as point of contact regarding managed services.
- **How do they access these services** - Erica leverages our Digital Engagement Services team on an ongoing and on-demand basis per the contract. GovDelivery DES performs all contractual deliverables in consultation and with approval from Erica.
- **How frequently/much can they use them** - Per the contract, GovDelivery DES is executing Audience Acceleration, Digital Campaign Management and Managed Services for the period of performance of one year. Once the Audience Acceleration contracted reach of 12,000 new subscribers is reached, this portion of the contract will be fulfilled. The Digital Campaign Management and Managed Services elements will remain ongoing and active throughout the end of the period of performance with continued content creation, graphic design, as well as email and SMS testing, sending, monitoring and reporting. Performance reports are delivered and presented to the client via a 1-hour call each month.
- There is not a limit to the amount of collaboration and consultation between the Digital Engagement Services team and Erica Quealy. The aim of GovDelivery's Services is that we act as an extension of Erica's communications and outreach resources, and therefore, are always available to support the contracted services agreement.
- The Managed Services deliverables are allocated to approximately five hours per month aligned with the services below as outlined in the signed proposal:
 - i. Strategic planning (5 hours per month)
 - ii. System Administration and Optimization (5 hours per month)
 - iii. Subscription Management (5 hours per month)
 - iv. Monthly Progress Reports (5 hours per month)

GOVERNMENT - PRICE QUOTATION



FEDRESULTS

12801 WORLDGATE DRIVE | SUITE 500 | HERNDON, VA 20170
 PHONE (703) 889-8700 | FAX (703) 889-8705 | TOLLFREE 1-855-533-3737
 WWW.FEDRESULTS.COM



TO:	John Karlik IT Procurement State of Michigan, DTMB Depot Services 5513 Enterprise Drive OR 515 Westchire Dr 084N5504401 Lansing, MI 48911-4131	FROM:	Kacey Cawley GovDelivery Government at FedResults 12801 Worldgate Drive Suite 500 Herndon, VA 20170
EMAIL:	karlikj@michigan.gov	EMAIL:	Kacey.Cawley@fedresults.com
PHONE:	(517) 335-4062	FAX:	(703) 889-8705

TERMS:	FTIN: 54-205-3633 Shipping Point: FOB Destination Credit Cards: VISA/MasterCard/AMEX Remit To: Same as Above Payment Terms: Net 30 (On Approved Credit) Cage Code: 1PAF5 DUNS No: 88-4261082 Business Size: Small Sales Tax May Apply	QUOTE NO:	6776065
		QUOTE DATE:	04/17/2015
		QUOTE EXPIRES:	09/30/2015
		RFQ NO:	
		SHIPPING:	GROUND
		TOTAL PRICE:	\$348,000.00

TOTAL QUOTE: \$348,000.00

LINE NO.	PART NO.	DESCRIPTION	-	QUOTE PRICE	QTY	EXTENDED PRICE
1	EDSM-GD-254B	Email and Digital Subscription Management - 5,000,000 - 6,000,000 potential users Monthly charge ** Start Date: 10/01/2015 End Date: 09/30/2016		\$29,000.00 -	12	\$348,000.00
SUBTOTAL:						\$348,000.00
TOTAL PRICE:						\$348,000.00
TOTAL QUOTE:						\$348,000.00

** Additional \$200 monthly fee for every additional 100,000 potential users after 6,000,000

This Quote references Contract No. 071B2200300

All line items are perpetual licenses.

For covered support items, Spectrum Mobile's technical support staff shall provide Licensee with "hotline" telephone and email consultation during the hours of 9:00 a.m. through 5:00 p.m. US Eastern Time, Monday through Friday, except holidays recognized by the United States federal government. Such consultation shall include technical advice concerning the use and operation of the Software, including clarification of functions and features of any Software, and clarification of documentation, as well as error verification, analysis, corrections and work-around.

[illegible]

[illegible]

Digital Campaign Management: Design, Build and Create - Custom Digital Design and Strategic Stakeholder Engagement

[illegible]

Managed Services: Integrate and Execute

[illegible]

[illegible]

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 2
to
CONTRACT NO. 071B2200300
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
FedResults, Inc. 12801 Worldgate Drive, Suite 500 Herndon, VA 20170	Leigh Grady	Leigh.Grady@fedresults.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(855) 533-3737	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Brad Pagratis	517-241-5086	pagratisb@michigan.gov
BUYER	DTMB	Barb Suska	517-284-7026	suskab2@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: GovDelivery Digital Communications Management			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
September 15, 2012	September 30, 2013	3, 1 Yr. Options	September 30, 2014
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MI DEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1 Year	September 30, 2015
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$348,000.00		\$1,127,000.00		
Effective October 28, 2014, this Contract is hereby utilizing the second option year to September 30, 2015 and is INCREASED by \$348,000.00. The new contract total is \$1,127,000.00. Please also note that the buyer has been changed to Barb Suska. The Contract Compliance Inspector has been changed to Brad Pagratis, see above for contact information. All other terms, conditions, specifications, and pricing remain the same. Per contractor agreement, DTMB Procurement approval, and the approval of the State Administrative Board dated October 28, 2014.				

GOVERNMENT - PRICE QUOTATION



FEDRESULTS

12801 WORLDGATE DRIVE | SUITE 500 | HERNDON, VA 20170
PHONE (703) 889-8700 | FAX (703) 889-8705 | TOLLFREE 1-855-533-3737
WWW.FEDRESULTS.COM



TO: John Karlik
State of Michigan Dept of Info Tech
101 East Hillsdale St
Lansing, MI 48933

EMAIL: karlikj@michigan.gov

PHONE: (517) 335-4062 FAX:

FROM: Kacey Cawley
GovDelivery Government at FedResults
12801 Worldgate Drive
Suite 500
Herndon, VA 20170

EMAIL: Kacey.Cawley@fedresults.com

PHONE: FAX: (703) 889-8705

TERMS: FTIN: 54-205-3633
Shipping Point: FOB Destination
Credit Cards: VISA/MasterCard/AMEX
Remit To: Same as Above
Payment Terms: Net 30 (On Approved Credit)
CAGE CODE: 1PAF5
DUNS No: 88-4261082
Business Size: Small
Sales Tax May Apply

QUOTE NO: 5667010
QUOTE DATE: 04/15/2014
QUOTE EXPIRES: 10/01/2014
RFQ NO:
SHIPPING: GROUND
TOTAL PRICE: \$348,000.00
TOTAL QUOTE: \$348,000.00

LINE NO.	PART NO.	DESCRIPTION	-	QUOTE PRICE	QTY	EXTENDED PRICE
		OPTION YEAR 2				
1	EDSM-GD-254B	Email and Digital Subscription Management - 5,000,000 - 6,000,000 potential users Monthly charge ** Start Date: 10/01/2014 End Date: 09/30/2015		\$29,000.00 -	12	\$348,000.00
		OPTION YEAR 2 SUBTOTAL:				\$348,000.00
				TOTAL PRICE:		\$348,000.00
				TOTAL QUOTE:		\$348,000.00

** Additional \$200 monthly fee for every additional 100,000 potential users after 6,000,000

This Quote references Contract No. 071B2200300



September 15, 2014

State of Michigan
Department of Technology, Management and Budget
ATTN: Nicole Schrauben
111 S. Capitol Avenue
Lansing, MI 48906

Dear Nicole Schrauben:

FedResults acknowledges and concurs that the State of Michigan wishes to extend the existing Contract No. 071B2200300 between the State of Michigan and FedResults, Inc and will exercise the second of the three (3) one year (1) option periods.

Option Year 2: Ongoing GovDelivery Email & Digital Subscription Management for enterprise of 26 million users from 10/1/2014 to 9/30/2015 is for the amount of \$348,000.00.

Sincerely,

A handwritten signature in cursive script that reads "Leigh Grady".

Leigh Grady
Manager

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

September 18, 2013

CHANGE NOTICE NO. 1
to
CONTRACT NO. 071B2200300
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
FedResults, Inc. 12801 Worldgate Drive, Suite 500 Herndon, VA 20170	Leigh Grady	Leigh.Grady@fedresults.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(855) 533-3737	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Tom Weston	517-241-7922	westont@michigan.gov
BUYER	DTMB	Reid Sisson	517-241-1638	sissonr@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: GovDelivery Digital Communications Management			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
September 15, 2012	September 30, 2013	3, 1 Yr. Options	September 30, 2013
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1 Year	September 30, 2014
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$348,000.00		\$779,000.00		

Effective immediately, this Contract is hereby utilizing the first option year to September 30, 2014 and is INCREASED by \$348,000.00.

All other terms, conditions, specifications, and pricing remain the same.

Per vendor agreement, DTMB Procurement approval, and the approval of the State Administrative Board dated September 13, 2013.

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

**NOTICE
 OF
 CONTRACT NO. 071B2200300**
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
FedResults, Inc. 12801 Worldgate Drive, Suite 500 Herndon, VA 20170	Leigh Grady	Leigh.Grady@fedresults.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(855) 533-3737	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DTMB	Tom Weston	(517) 241-7922	westont@michigan.gov
BUYER:	DTMB	Reid Sisson	(517) 241-1638	sissonr@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION:			
GovDelivery Digital Communications Management			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
1 Year	September 15, 2012	September 30, 2013	3, 1 Yr. Options
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:		\$431,000.00	

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

CONTRACT NO. 071B2200300
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
FedResults, Inc. 12801 Worldgate Drive, Suite 500 Herndon, VA 20170	Leigh Grady	Leigh.Grady@fedresults.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(855) 533-3737	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DTMB	Tom Weston	(517) 241-7922	westont@michigan.gov
BUYER:	DTMB	Reid Sisson	(517) 241-1638	sissonr@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION:			
GovDelivery Digital Communications Management			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
1 Year	September 15, 2012	September 30, 2013	3, 1 Yr. Options
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:		\$431,000.00	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation #084R2200127. Orders for delivery will be issued directly by the Department of Technology, Management & Budget through the issuance of a Purchase Order Form.

Contract Number 071B2200300

FOR THE CONTRACTOR:	FOR THE STATE:
FedResults, Inc.	
Firm Name	Signature
	Jeff Brownlee, Chief Procurement Officer
Authorized Agent Signature	Name/Title
	DTMB Procurement
Authorized Agent (Print or Type)	Enter Name of Agency
Date	Date



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Article 1 – Statement of Work (SOW)

1.000 Project Identification/Scope

The Michigan Department of Technology, Management, and Budget has issued this Contract to provide the Covered Software as a Service (SaaS) enterprise-wide to State Executive Branch Agencies for the period August 10, 2012 through September 30, 2013, with three one (1)-year options to extend.

Covered Software as a Service: **GovDelivery Email and Digital Subscription Management (EDSM)**

1.100 Scope of Work

Contractor will provide the following Covered SaaS:

Item#	GovDelivery Part Number	Description
1	EDSM-GD-254A adjusted based on 26 million potential users	Configuration Setup of GovDelivery Email & Digital Subscription Management for enterprise of 26 million potential users
2	EDSM-GD-254B adjusted based on 26 million potential users	Ongoing GovDelivery Email & Digital Subscription Management for enterprise of 26 million users from October 1, 2012 to September 30, 2013
3	EDSM-GD-254B adjusted based on 26 million potential users	Option Year 1: Ongoing GovDelivery Email & Digital Subscription Management for enterprise of 26 million users from October 1, 2013 to September 30, 2014
4	EDSM-GD-254B adjusted based on 26 million potential users	Option Year 3: Ongoing GovDelivery Email & Digital Subscription Management for enterprise of 26 million users from October 1, 2014 to September 30, 2015
5	EDSM-GD-254B adjusted based on 26 million potential users	Option Year 4: Ongoing GovDelivery Email & Digital Subscription Management for enterprise of 26 million users from October 1, 2015 to September 30, 2016

As part of the Covered SaaS Contractor will provide the following:

1. EDSM System Configuration Setup Services:

- Initial Technology License
- Setup Coordination from Client Services
- Site Analysis and Recommendations of Where to Add GovDelivery Functionality
- Subscription Functionality Based on Web Publishing Process
- Technical Assistance with Placement of HTML Links to Subscription Functionality
- Setup of an Unlimited Number of Administrators
- Ongoing Conversion/loading of email addresses
- Unlimited Online Administration Tools and Training for Staff

2. EDSM Ongoing Services:

- Automated Distribution of Emails
- Access to all GovDelivery EDSM automation tools for automating updates based on Web and Social Media content changes
- Access to standard GovDelivery EDSM APIs (see API document in Appendix C)
- Unlimited Subscribers to System; Unlimited Subscription Categories and Topics
- Unlimited Distribution of Emails, RSS Alerts and SMS Text Messages (using email as a bridge to SMS which limits sends to 5,000 at a time; scalable direct SMS capability costs extra)
- Unlimited Ongoing Administration Tools Training (Web-based)



- Phone and Email Support during regular business hours & 24/7 emergency support
- Regular Technology Upgrades
- Subscriber Profile Management
- Management of Mass Emailing Issues, Including Bounced Emails

The State of Michigan will receive all necessary training and support throughout the life cycle of the State's use of GovDelivery. Contractor will assign a GovDelivery Client team to the State that includes:

- 1) Implementation Consultant: An expert trainer and implementer whose goal is to prepare the Office to go live with GovDelivery and guide the client through best practices. GovDelivery will assign Cindy Hoops as the lead consultant for our engagement with this implementation.
- 2) Client Success Consultant: An ongoing resource to ensure the State is maximizing value from GovDelivery and taking full advantage of the system's capabilities to get the desired results.
- 3) Technical Resources: Solutions consultants and technical support staff available to support the implementation process or any ongoing support requirement.

Implementation Consultants and Technical Support Representatives are available by phone and email to provide technical and strategic incident management support during regular business hours. In addition, live support is available with no delay from 8:00 AM EST – 7:00 PM EST. 24-hour emergency phone and email support is also provided. All support requests are covered under the license.

1.200 Roles and Responsibilities

1.201 CONTRACTOR ROLES AND RESPONSIBILITIES

Contractor will provide all of the services outlined in this proposal, including the following:

1. Contractor will assign a Single Point of Contact (SPOC) as responsible for managing the GovDelivery system to ensure successful implementation and ongoing use of the system.

The assigned SPOC is Cindy Hoops, GovDelivery.

2. Contractor will also provide regular upgrades in technology to the system to stay consistent with the latest browser and mass emailing requirements.
3. Contractor will provide a GovDelivery marketing kit to help the State promote the digital subscription services in the local media.

Other tasks and on-going services:

- Marketing seminar provided by GovDelivery at the Kick-off of the Enterprise deal
- Annual user group meeting held in Lansing, and open to all GovDelivery's State of Michigan Government customers

1.202 STATE ROLES AND RESPONSIBILITIES

The State will provide:

1. One designated project manager who can coordinate the GovDelivery implementation.
2. Promotion of the availability of digital subscriptions on the State's website to its residents, through promotions in its offices, and through other mediums.
 - a. Participation in the GovDelivery Network at the discretion of each agency/department
 - b. Direct sign up option on Office homepage
 - c. Best efforts to follow GovDelivery's best practice guidance to ensure best results
3. A contact for press release, reference and testimonials, subject to State approval.
4. A Contract Compliance Inspector who is responsible to approve deliverables and monitor Contract activities on a daily basis

**CONTRACT COMPLIANCE INSPECTOR:**

Name	Agency/Division	Title
Tom Weston	DTMB E-Michigan	Director

1.300 Compensation and Payment**1.301 COMPENSATION AND PAYMENT**

Final Acceptance: Final acceptance is expressly conditioned upon completion of all deliverables within Item#1 of the Covered SaaS - EDSM-GD-254A, Setup of GovDelivery Email & Digital Subscription Management for enterprise of 26 million potential users- and the certification by the State Contract Compliance Inspector that the Contractor has met the defined requirements of successfully operating the solution..

Method of Payment - The Contract will be paid on a **Firm, Fixed-Price**. The **Attachment A** is the Costs Tables that must be used as the format for submitting pricing information.

Travel - The State will not pay for any travel expenses, including hotel, mileage, meals, parking, etc. Travel time will not be reimbursed.

Out-of-Pocket Expenses - Contractor out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for such an expense at the **State's current travel reimbursement rates**.

Invoicing - Contractor will submit properly itemized invoices to "Bill To" Address on Purchase Order. **Incorrect or incomplete invoices will be returned to Contractor.** Invoices must provide and itemize, as applicable:

- Contract number;
- Purchase Order number
- Contractor name, address, phone number, and Federal Tax Identification Number;
- Description of any commodities/hardware, including quantity ordered;
- Date(s) of delivery and/or date(s) of installation and set up;
- Price for each item, or Contractor's list price for each item and applicable discounts;
- Maintenance charges;
- Net invoice price for each item;
- Shipping costs;
- Other applicable charges;
- Total invoice price; and
- Payment terms, including any available prompt payment discount.

1.302 TAX EXCLUDED FROM PRICE

Sales Tax: The State is exempt from sales tax for direct purchases. The Contractor's prices must not include sales tax. Procurement will furnish exemption certificates for sales tax upon request.

Federal Excise Tax: The State may be exempt from Federal Excise Tax, or the taxes may be reimbursable, if articles purchased under any resulting Contract are used for the State's exclusive use. Certificates showing exclusive use for the purposes of substantiating a tax-free or tax-reimbursable sale will be sent upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices must not include the Federal Excise Tax.

1.400 IT Specific Requirements**1.401 CONTRACT MANAGEMENT**

The GovDelivery change management process involves a release on the second Tuesday of every month. Prior to the release into the production environment, the release goes through several internal environments where regression, unit and smoke tests are conducted. Every release is accompanied with documentation detailing the contents of the upgrade or any bug fixes.

Typical releases are rolling releases with no interruption of services however on occasion if a release requires the interruption of service, this release is scheduled for after-hours.



1.402 CONTRACTOR IDENTIFICATION

Contractor employees must be clearly identifiable while on State property by wearing a State-issued badge, as required. Contractor employees are required to clearly identify themselves and the company they work for whenever making contact with State personnel by telephone or other means.

1.403 ENVIRONMENT

The links below provide information on the State's Enterprise IT policies, standards and procedures which includes security policy and procedures, IT strategic plan, eMichigan web development and the State Unified Information Technology Environment (SUITE).

All services and products provided under this Contract must comply with all applicable State IT policies and standards. The Contractor must request any exception to State IT policies and standards in accordance with DTMB processes. The State may deny the exception request or seek a policy or standards exception.

The Contractor is required to review all applicable links provided below and state compliance in their response.

Enterprise IT Policies, Standards and Procedures:

<http://michigan.gov/dmb/0,4568,7-150-56355---,00.html>

All software and hardware items provided by the Contractor must run on and be compatible with the DTMB Standard Information Technology Environment. Additionally, the State must be able to maintain software and other items produced as the result of the Contract. Therefore, non-standard development tools may not be used unless approved by DTMB. The Contractor must request, in writing, approval to use non-standard software development tools, providing justification for the requested change and all costs associated with any change. The State's Project Manager and DTMB must approve any tools, in writing, before use on any information technology project.

It is recognized that technology changes rapidly. The Contractor may request, in writing, a change in the standard environment, providing justification for the requested change and all costs associated with any change. The State's Project Manager must approve any changes, in writing, and DTMB, before work may proceed based on the changed environment.

Enterprise IT Security Policy and Procedures:

<http://michigan.gov/dmb/0,4568,7-150-56355---,00.html>

The State's security environment includes:

- DTMB Single Login.
- DTMB provided SQL security database.
- Secured Socket Layers
- SecureID (State Security Standard for external network access and high risk Web systems)

IT Strategic Plan:

<http://michigan.gov/itstrategicplan>

IT eMichigan Web Development Standard Tools:

http://www.michigan.gov/documents/som/Look_and_Feel_Standards_302051_7.pdf

SUITE:

www.michigan.gov/suite

The SUITE website includes standards for project management, systems engineering, and associated forms and templates which must be followed.



Article 2, State of Michigan Terms and Conditions

2.000 Contract Structure and Term

2.001 CONTRACT TERM

This Contract is for a period of one (1) year beginning September 15, 2012 through September 30, 2016. All outstanding Purchase Orders must also expire upon the termination for any of the reasons listed in **Section 2.150** of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, shall remain in effect for the balance of the fiscal year for which they were issued.

2.002 OPTIONS TO RENEW

This Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. The Contract may be renewed for up to three (3) additional one (1)-year periods.

2.003 LEGAL EFFECT

Contractor accepts this Contract by signing two copies of the Contract and returning them to the Procurement. The Contractor shall not proceed with the performance of the work to be done under the Contract, including the purchase of necessary materials, until both parties have signed the Contract to show acceptance of its terms, and the Contractor receives a contract release/purchase order that authorizes and defines specific performance requirements.

Except as otherwise agreed in writing by the parties, the State shall not be liable for costs incurred by Contractor or payment under this Contract, until Contractor is notified in writing that this Contract or Change Order has been approved by the State Administrative Board (if required), signed by all the parties and a Purchase Order against the Contract has been issued.

2.004 ATTACHMENTS & EXHIBITS

All Attachments and Exhibits affixed to any and all Statement(s) of Work, or appended to or referencing this Contract, are incorporated in their entirety and form part of this Contract.

2.005 ORDERING

The State must issue an approved written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order to order any Services/Deliverables under this Contract. All orders are subject to the terms and conditions of this Contract. No additional terms and conditions contained on either a Purchase Order or Blanket Purchase Order apply unless they are specifically contained in that Purchase Order or Blanket Purchase Order's accompanying Statement of Work. Exact quantities to be purchased are unknown; however, the Contractor will be required to furnish all such materials and services as may be ordered during the Contract period. Quantities specified, if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities.

2.006 ORDER OF PRECEDENCE

The Contract, including any Statements of Work and Exhibits, to the extent not contrary to the Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to the subject matter and as additional terms and conditions on the purchase order must apply as limited by **Section 2.005**.

In the event of any inconsistency between the terms of the Contract and a Statement of Work, the terms of the Statement of Work shall take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of the Contract. The Contract may be modified or amended only by a formal Contract amendment.

For avoidance of doubt, the terms of the Contractor's applicable GSA Schedule 70 Contract, which is included by reference, shall be included and take precedence over the terms of this Contract.



2.007 HEADINGS

Captions and headings used in the Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of the Contract.

2.008 FORM, FUNCTION & UTILITY

If the Contract is for use of more than one State agency and if the Deliverable/Service does not meet the form, function, and utility required by that State agency, that agency may, subject to State purchasing policies, procure the Deliverable/Service from another source.

2.009 REFORMATION AND SEVERABILITY

Each provision of the Contract is severable from all other provisions of the Contract and, if one or more of the provisions of the Contract is declared invalid, the remaining provisions of the Contract remain in full force and effect.

2.010 Consents and Approvals

Except as expressly provided otherwise in the Contract, if either party requires the consent or approval of the other party for the taking of any action under the Contract, the consent or approval must be in writing and must not be unreasonably withheld or delayed.

2.011 NO WAIVER OF DEFAULT

If a party fails to insist upon strict adherence to any term of the Contract then the party has not waived the right to later insist upon strict adherence to that term, or any other term, of the Contract.

2.012 SURVIVAL

Any provisions of the Contract that impose continuing obligations on the parties, including without limitation the parties' respective warranty, indemnity and confidentiality obligations, survive the expiration or termination of the Contract for any reason. Specific references to survival in the Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section

2.020 Contract Administration

2.021 ISSUING OFFICE

This Contract is issued by the Department of Technology, Management and Budget, Office of State Procurement (DTMB Procurement) (collectively, including all other relevant State of Michigan departments and agencies, the "State"). DTMB Procurement is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. The Procurement Contract Administrator for this Contract is:

Reid Sisson, Buyer
Office of State Procurement
Department of Technology, Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
SissonR@michigan.gov
517-241-1638

2.022 CONTRACT COMPLIANCE INSPECTOR

The Director of Procurement directs the person named below, or his or her designee, to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. **Monitoring Contract activities does not imply the authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of the Contract. Procurement is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract.**



The Contract Compliance Inspector for this Contract is:

See Article 1.202.

2.023 DELETED/NA

2.024 CHANGE REQUESTS

The State reserves the right to request from time to time any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. During the course of ordinary business, it may become necessary for the State to discontinue certain business practices or create Additional Services/Deliverables. At a minimum, to the extent applicable, Contractor shall provide a detailed outline of all work to be done, including tasks necessary to accomplish the Additional Services/Deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

If the State requests or directs the Contractor to perform any Services/Deliverables that are outside the scope of the Contractor's responsibilities under the Contract ("New Work"), the Contractor must notify the State promptly before commencing performance of the requested activities it believes are New Work. If the Contractor fails to notify the State before commencing performance of the requested activities, any such activities performed before the Contractor gives notice shall be conclusively considered to be in-scope Services/Deliverables and not New Work.

If the State requests or directs the Contractor to perform any services or provide deliverables that are consistent with and similar to the Services/Deliverables being provided by the Contractor under the Contract, but which the Contractor reasonably and in good faith believes are not included within the Statements of Work, then before performing such Services or providing such Deliverables, the Contractor shall notify the State in writing that it considers the Services or Deliverables to be an Additional Service/Deliverable for which the Contractor should receive additional compensation. If the Contractor does not so notify the State, the Contractor shall have no right to claim thereafter that it is entitled to additional compensation for performing that Service or providing that Deliverable. If the Contractor does so notify the State, then such a Service or Deliverable shall be governed by the Change Request procedure in this Section.

In the event prices or service levels are not acceptable to the State, the Additional Services or New Work shall be subject to competitive bidding based upon the specifications.

(1) Change Request at State Request

If the State requires Contractor to perform New Work, Additional Services or make changes to the Services that would affect the Contract completion schedule or the amount of compensation due Contractor (a "Change"), the State shall submit a written request for Contractor to furnish a proposal for carrying out the requested Change (a "Change Request").

(2) Contractor Recommendation for Change Requests:

Contractor shall be entitled to propose a Change to the State, on its own initiative, should Contractor believe the proposed Change would benefit the Contract.

(3) Upon receipt of a Change Request or on its own initiative, Contractor shall examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Deliverables and Services and shall submit to the State without undue delay a written proposal for carrying out the Change. Contractor's proposal shall include any associated changes in the technical specifications, Contract schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Services. If Contractor provides a written proposal and should Contractor be of the opinion that a requested Change is not to be recommended, it shall communicate its opinion to the State but shall nevertheless carry out the Change as specified in the written proposal if the State directs it to do so.

(4) By giving Contractor written notice within a reasonable time, the State shall be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a "Contract Change Notice").

(5) No proposed Change shall be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Technology, Management and Budget, Procurement.



- (6) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of this Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.

2.025 NOTICES

Any notice given to a party under the Contract must be deemed effective, if addressed to the party as addressed below, upon: (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this Section; (iii) the third Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

State: State of Michigan
Procurement
Attention: Reid Sisson
PO Box 30026
530 West Allegan
Lansing, Michigan 48909

Contractor: - See Contract cover page.

Either party may change its address where notices are to be sent by giving notice according to this Section.

2.026 BINDING COMMITMENTS

Representatives of Contractor must have the authority to make binding commitments on Contractor's behalf within the bounds set forth in the Contract. Contractor may change the representatives from time to time upon giving written notice.

2.027 RELATIONSHIP OF THE PARTIES

The relationship between the State and Contractor is that of client and independent contractor. No agent, employee, or servant of Contractor or any of its Subcontractors shall be deemed to be an employee, agent or servant of the State for any reason. Contractor shall be solely and entirely responsible for its acts and the acts of its agents, employees, servants and Subcontractors during the performance of the Contract.

2.028 COVENANT OF GOOD FAITH

Each party shall act reasonably and in good faith. Unless stated otherwise in the Contract, the parties shall not unreasonably delay, condition or withhold the giving of any consent, decision or approval that is either requested or reasonably required of them in order for the other party to perform its responsibilities under the Contract.

2.029 ASSIGNMENTS

Neither party may assign the Contract, or assign or delegate any of its duties or obligations under the Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party; provided, however, that the State may assign the Contract to any other State agency, department, division or department without the prior consent of Contractor and Contractor may assign the Contract to an affiliate so long as the affiliate is adequately capitalized and can provide adequate assurances that the affiliate can perform the Contract. The State may withhold consent from proposed assignments, subcontracts, or novations when the transfer of responsibility would operate to decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages.

Contractor may not, without the prior written approval of the State, assign its right to receive payments due under the Contract. If the State permits an assignment, the Contractor is not relieved of its responsibility to perform any of its contractual duties and the requirement under the Contract that all payments must be made to one entity continues.

If the Contractor intends to assign the contract or any of the Contractor's rights or duties under the Contract, the Contractor must notify the State in writing at least 90 days before the assignment. The Contractor also must provide the State with adequate information about the assignee within a reasonable amount of time before the assignment for the State to determine whether to approve the assignment.



2.030 General Provisions

2.031 MEDIA RELEASES

News releases (including promotional literature and commercial advertisements) pertaining to the RFP and Contract or project to which it relates shall not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State. No results of the activities associated with the RFP and Contract are to be released without prior written approval of the State and then only to persons designated.

2.032 CONTRACT DISTRIBUTION

Procurement retains the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by Procurement.

2.033 PERMITS

Contractor must obtain and pay any associated costs for all required governmental permits, licenses and approvals for the delivery, installation and performance of the Services. The State shall pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

2.034 WEBSITE INCORPORATION

The State is not bound by any content on the Contractor's website, even if the Contractor's documentation specifically referenced that content and attempts to incorporate it into any other communication, unless the State has actual knowledge of the content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representative of the State.

2.035 FUTURE BIDDING PRECLUSION

Contractor acknowledges that, to the extent this Contract involves the creation, research, investigation or generation of a future RFP; it may be precluded from bidding on the subsequent RFP. The State reserves the right to disqualify any bidder if the State determines that the bidder has used its position (whether as an incumbent Contractor, or as a Contractor hired to assist with the RFP development, or as a Vendor offering free assistance) to gain a competitive advantage on the RFP

2.036 FREEDOM OF INFORMATION

All information in any proposal submitted to the State by Contractor and this Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, et seq (the "FOIA").

2.037 DISASTER RECOVERY

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor personnel dedicated to providing Services/Deliverables under this Contract shall provide the State with priority service for repair and work around in the event of a natural or man-made disaster.

2.040 Financial Provisions

2.041 FIXED PRICES FOR SERVICES/DELIVERABLES – SEE APPLICABLE GSA SCHEDULE 70 CONTRACT

2.042 ADJUSTMENTS FOR REDUCTIONS IN SCOPE OF SERVICES/DELIVERABLES – SEE APPLICABLE GSA SCHEDULE 70 CONTRACT

2.043 SERVICES/DELIVERABLES COVERED

The State shall not be obligated to pay any amounts in addition to the charges specified in this Contract for all Services/Deliverables to be provided by Contractor and its Subcontractors, if any, under this Contract.

**2.044 INVOICING AND PAYMENT – IN GENERAL – SEE APPLICABLE GSA SCHEDULE 70 CONTRACT****2.045 PRO-RATION – SEE APPLICABLE GSA SCHEDULE 70 CONTRACT****2.046 ANTITRUST ASSIGNMENT**

The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

2.047 FINAL PAYMENT

The making of final payment by the State to Contractor does not constitute a waiver by either party of any rights or other claims as to the other party's continuing obligations under the Contract, nor shall it constitute a waiver of any claims by one party against the other arising from unsettled claims or failure by a party to comply with this Contract, including claims for Services and Deliverables not reasonably known until after acceptance to be defective or substandard. Contractor's acceptance of final payment by the State under this Contract shall constitute a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still unsettled.

2.048 ELECTRONIC PAYMENT REQUIREMENT

Electronic transfer of funds is required for payments on State Contracts. Contractors are required to register with the State electronically at <http://www.cpexpress.state.mi.us>. As stated in Public Act 431 of 1984, all contracts that the State enters into for the purchase of goods and services shall provide that payment shall be made by electronic fund transfer (EFT).

2.050 Taxes**2.051 EMPLOYMENT TAXES**

Contractor shall collect and pay all applicable federal, state, and local employment taxes, including the taxes.

2.052 SALES AND USE TAXES

Contractor shall register and remit sales and use taxes on taxable sales of tangible personal property or services delivered into the State. Contractors that lack sufficient presence in Michigan to be required to register and pay tax must do so as a volunteer. This requirement extends to: (1) all members of any controlled group as defined in § 1563(a) of the Internal Revenue Code and applicable regulations of which the company is a member, and (2) all organizations under common control as defined in § 414(c) of the Internal Revenue Code and applicable regulations of which the company is a member that make sales at retail for delivery into the State are registered with the State for the collection and remittance of sales and use taxes. In applying treasury regulations defining "two or more trades or businesses under common control" the term "organization" means sole proprietorship, a partnership (as defined in § 701(a) (2) of the Internal Revenue Code), a trust, an estate, a corporation, or a limited liability company.

2.060 Contract Management**2.061 CONTRACTOR PERSONNEL QUALIFICATIONS**

All persons assigned by Contractor to the performance of Services under this Contract must be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and must be fully qualified to perform the work assigned to them. Contractor must include a similar provision in any subcontract entered into with a Subcontractor. For the purposes of this Contract, independent contractors engaged by Contractor solely in a staff augmentation role must be treated by the State as if they were employees of Contractor for this Contract only; however, the State understands that the relationship between Contractor and Subcontractor is an independent contractor relationship.

2.062 CONTRACTOR KEY PERSONNEL – DELETED/NA

**2.063 RE-ASSIGNMENT OF PERSONNEL AT THE STATE'S REQUEST**

The State reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of the State, to be unacceptable. The State's request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on legitimate, good faith reasons. Replacement personnel for the removed person must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any incident with removed personnel results in delay not reasonably anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service shall not be counted for a time as agreed to by the parties.

2.064 CONTRACTOR PERSONNEL LOCATION – DELETED/NA

All staff assigned by Contractor to work on the Contract shall perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel shall, at a minimum, spend at least the amount of time on-site at State facilities as indicated in the applicable Statement of Work. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

2.065 CONTRACTOR IDENTIFICATION

Contractor employees must be clearly identifiable while on State property by wearing a State-issued badge, as required. Contractor employees are required to clearly identify themselves and the company they work for whenever making contact with State personnel by telephone or other means.

2.066 COOPERATION WITH THIRD PARTIES

Contractor agrees to cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance personnel. As reasonably requested by the State in writing, the Contractor shall provide to the State's agents and other contractors reasonable access to Contractor's Project personnel, systems and facilities to the extent the access relates to activities specifically associated with this Contract and shall not interfere or jeopardize the safety or operation of the systems or facilities. The State acknowledges that Contractor's time schedule for the Contract is very specific and agrees not to unnecessarily or unreasonably interfere with, delay or otherwise impeded Contractor's performance under this Contract with the requests for access.

2.067 CONTRACT MANAGEMENT RESPONSIBILITIES

Contractor shall be responsible for all acts and omissions of its employees, as well as the acts and omissions of any other personnel furnished by Contractor to perform the Services. Contractor shall have overall responsibility for managing and successfully performing and completing the Services/Deliverables, subject to the overall direction and supervision of the State and with the participation and support of the State as specified in this Contract. Contractor's duties shall include monitoring and reporting the State's performance of its participation and support responsibilities (as well as Contractor's own responsibilities) and providing timely notice to the State in Contractor's reasonable opinion if the State's failure to perform its responsibilities in accordance with the Project Plan is likely to delay the timely achievement of any Contract tasks.

The Contractor shall provide the Services/Deliverables directly or through its affiliates, subsidiaries, subcontractors or resellers. Regardless of the entity providing the Service/Deliverable, the Contractor shall act as a single point of contact coordinating these entities to meet the State's need for Services/Deliverables. Nothing in this Contract, however, shall be construed to authorize or require any party to violate any applicable law or regulation in its performance of this Contract.

2.068 CONTRACTOR RETURN OF STATE EQUIPMENT/RESOURCES – DELETED/NA**2.070 Subcontracting by Contractor****2.071 CONTRACTOR FULL RESPONSIBILITY**

Contractor shall have full responsibility for the successful performance and completion of all of the Services and Deliverables. The State shall consider Contractor to be the sole point of contact with regard to all contractual matters under this Contract, including payment of any and all charges for Services and Deliverables.



2.072 STATE CONSENT TO DELEGATION

Contractor shall not delegate any duties under this Contract to a Subcontractor unless the Department of Technology, Management and Budget, Procurement has given written consent to such delegation. The State shall have the right of prior written approval of all Subcontractors and to require Contractor to replace any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good faith reasons. Replacement Subcontractor(s) for the removed Subcontractor shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State shall agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLA for the affected Work shall not be counted for a time agreed upon by the parties.

2.073 SUBCONTRACTOR BOUND TO CONTRACT

In any subcontracts entered into by Contractor for the performance of the Services, Contractor shall require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of this Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by this Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor shall be the responsibility of Contractor, and Contractor shall remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor shall make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State shall not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under this Contract shall not relieve Contractor of any obligations or performance required under this Contract. A list of the Subcontractors, if any, approved by the State as of the execution of this Contract, together with a copy of the applicable subcontract is attached.

2.074 FLOW DOWN

Except where specifically approved in writing by the State on a case-by-case basis, Contractor shall flow down the obligations in **Sections 2.031, 2.060, 2.100, 2.110, 2.120, 2.130, and 2.200** in all of its agreements with any Subcontractors.

2.075 COMPETITIVE SELECTION

The Contractor shall select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the Contract.

2.080 State Responsibilities

2.081 EQUIPMENT

The State shall provide only the equipment and resources identified in the Statement of Work and other Contract Exhibits.

2.082 FACILITIES

The State must designate space as long as it is available and as provided in the Statement of Work, to house the Contractor's personnel whom the parties agree will perform the Services/Deliverables at State facilities (collectively, the "State Facilities"). The Contractor shall have reasonable access to, and unless agreed otherwise by the parties in writing must observe and comply with all rules and regulations relating to each of the State Facilities (including hours of operation) used by the Contractor in the course of providing the Services. Contractor agrees that it shall not, without the prior written consent of the State, use any State Facilities or access any State information systems provided for the Contractor's use, or to which the Contractor otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.

2.090 Security



2.091 BACKGROUND CHECKS

On a case-by-case basis, the State may investigate the Contractor's personnel before they may have access to State facilities and systems. The scope of the background check is at the discretion of the State and the results shall be used to determine Contractor personnel eligibility for working within State facilities and systems. The investigations shall include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks shall be initiated by the State and shall be reasonably related to the type of work requested.

All Contractor personnel shall also be expected to comply with the State's security and acceptable use policies for State IT equipment and resources. See <http://www.michigan.gov/dtmb>. Furthermore, Contractor personnel shall be expected to agree to the State's security and acceptable use policies before the Contractor personnel shall be accepted as a resource to perform work for the State. It is expected the Contractor shall present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff shall be expected to comply with all Physical Security procedures in place within the facilities where they are working.

2.092 SECURITY BREACH NOTIFICATION

If the Contractor breaches this Section, the Contractor must (i) promptly cure any deficiencies and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State shall cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within 24 hours of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

2.093 PCI DATA SECURITY REQUIREMENTS – DELETED/NA

2.100 Confidentiality

2.101 CONFIDENTIALITY

Contractor and the State each acknowledge that the other possesses and shall continue to possess confidential information that has been developed or received by it. As used in this Section, "Confidential Information" of Contractor must mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below), which is marked confidential, restricted, proprietary, or with a similar designation. "Confidential Information" of the State must mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State under applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State under its performance under this Contract, is marked as confidential, proprietary or with a similar designation by the State. "Confidential Information" excludes any information (including this Contract) that is publicly available under the Michigan FOIA.

2.102 PROTECTION AND DESTRUCTION OF CONFIDENTIAL INFORMATION

The State and Contractor shall each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State shall (i) make any use of the Confidential Information of the other except as contemplated by this Contract, (ii) acquire any right in or assert any lien against the Confidential Information of the other, or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information to the other party. Each party shall limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access to fulfill the purposes of this Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under this Contract, (B) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Subcontractor's scope of responsibility, and (C) Contractor obligates the Subcontractor in a written Contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor and of any Subcontractor having access or continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect the Confidential Information from unauthorized use or disclosure.



Promptly upon termination or cancellation of the Contract for any reason, Contractor must certify to the State that Contractor has destroyed all State Confidential Information.

2.103 EXCLUSIONS

Notwithstanding the foregoing, the provisions in this Section shall not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose the information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of this Section shall not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose the Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of the disclosure as reasonably requested by the furnishing party.

2.104 NO IMPLIED RIGHTS

Nothing contained in this Section must be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.

2.105 RESPECTIVE OBLIGATIONS

The parties' respective obligations under this Section must survive the termination or expiration of this Contract for any reason.

2.110 Records and Inspections

2.111 INSPECTION OF WORK PERFORMED

The State's authorized representatives shall at all reasonable times and with 10 days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and shall have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon 10 Days prior written notice and at all reasonable times, the State's representatives shall be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that the access will not reasonably interfere or jeopardize the safety or operation of the systems or facilities. Contractor shall provide all reasonable facilities and assistance for the State's representatives.

2.112 EXAMINATION OF RECORDS

For seven years after the Contractor provides any work under this Contract (the "Audit Period"), the State may examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the Contract and with applicable laws and rules. The State shall notify the Contractor 20 days before examining the Contractor's books and records. The State does not have the right to review any information deemed confidential by the Contractor to the extent access would require the confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract.

2.113 RETENTION OF RECORDS

Contractor shall maintain at least until the end of the Audit Period all pertinent financial and accounting records (including time sheets and payroll records, and information pertaining to the Contract and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract according to generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records shall be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records shall be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.



2.114 AUDIT RESOLUTION

If necessary, the Contractor and the State shall meet to review each audit report promptly after issuance. The Contractor shall respond to each audit report in writing within 30 days from receipt of the report, unless a shorter response time is specified in the report. The Contractor and the State shall develop, agree upon and monitor an action plan to promptly address and resolve any deficiencies, concerns, and/or recommendations in the audit report.

2.115 ERRORS

If the audit demonstrates any errors in the documents provided to the State, then the amount in error shall be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four invoices. If a balance remains after four invoices, then the remaining amount shall be due as a payment or refund within 45 days of the last quarterly invoice that the balance appeared on or termination of the contract, whichever is earlier.

In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than 10%, then the Contractor shall pay all of the reasonable costs of the audit.

2.120 Warranties

2.121 WARRANTIES AND REPRESENTATIONS – REFER TO APPLICABLE GSA SCHEDULE 70 CONTRACT

2.122 WARRANTY OF MERCHANTABILITY – DELETED NA

2.123 WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE – DELETED NA

2.124 WARRANTY OF TITLE – DELETED NA

2.125 EQUIPMENT WARRANTY – DELETED NA

2.126 EQUIPMENT TO BE NEW – DELETED NA

2.127 PROHIBITED PRODUCTS – DELETED NA

2.128 CONSEQUENCES FOR BREACH – DELETED NA

2.130 Insurance

2.131 LIABILITY INSURANCE – REFER TO APPLICABLE GSA SCHEDULE 70 CONTRACT

2.132 SUBCONTRACTOR INSURANCE COVERAGE – REFER TO APPLICABLE GSA SCHEDULE 70 CONTRACT

2.133 CERTIFICATES OF INSURANCE AND OTHER REQUIREMENTS

Contractor must furnish to MDTMB Procurement, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate must be on the standard "accord" form or equivalent. **The Contract Number or the Purchase Order Number must be shown on the Certificate Of Insurance To Assure Correct Filing.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) must contain a provision indicating that coverage afforded under the policies SHALL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without 30 days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Procurement, Department of Technology, Management and Budget. The notice must include the Contract or Purchase Order number affected. Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor must provide evidence that the State and its agents, officers and employees are listed as additional insured under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State



by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

The Contractor must maintain all required insurance coverage throughout the term of the Contract and any extensions and, in the case of claims-made Commercial General Liability policies, must secure tail coverage for at least three years following the expiration or termination for any reason of this Contract. The minimum limits of coverage specified above are not intended, and must not be construed; to limit any liability or indemnity of Contractor under this Contract to any indemnified party or other persons. Contractor is responsible for all deductibles with regard to the insurance. If the Contractor fails to pay any premium for required insurance as specified in this Contract, or if any insurer cancels or significantly reduces any required insurance as specified in this Contract without the State's written consent, then the State may, after the State has given the Contractor at least 30 days written notice, pay the premium or procure similar insurance coverage from another company or companies. The State may deduct any part of the cost from any payment due the Contractor, or the Contractor must pay that cost upon demand by the State.

2.140 Indemnification

2.141 GENERAL INDEMNIFICATION

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the Contractor in the performance of this Contract and that are attributable to the negligence or tortious acts of the Contractor or any of its subcontractors, or by anyone else for whose acts any of them may be liable.

Per State statute, the State may not indemnify any other party.

2.142 CODE INDEMNIFICATION

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from any claim, loss, or expense arising from Contractor's breach of the No Surreptitious Code Warranty.

2.143 EMPLOYEE INDEMNIFICATION

In any claims against the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under the Contract must not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its subcontractors under worker's disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other provisions.

2.144 PATENT/COPYRIGHT INFRINGEMENT INDEMNIFICATION

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that the action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of the equipment, software, commodity or service, or the use or reproduction of any documentation provided with the equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

In addition, should the equipment, software, commodity, or service, or its operation, become or in the State's or Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor must at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if the option is not reasonably available to the Contractor, (ii) replace or modify to the State's satisfaction the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if the option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.



Notwithstanding the foregoing, the Contractor has no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys' fees related to, any claim based upon (i) equipment developed based on written specifications of the State; (ii) use of the equipment in a configuration other than implemented or approved in writing by the Contractor, including, but not limited to, any modification of the equipment by the State; or (iii) the combination, operation, or use of the equipment with equipment or software not supplied by the Contractor under this Contract.

2.145 CONTINUATION OF INDEMNIFICATION OBLIGATIONS

The Contractor's duty to indemnify under this Section continues in full force and effect, notwithstanding the expiration or early cancellation of the Contract, with respect to any claims based on facts or conditions that occurred before expiration or cancellation.

2.146 INDEMNIFICATION PROCEDURES

The procedures set forth below must apply to all indemnity obligations under this Contract.

- (a) After the State receives notice of the action or proceeding involving a claim for which it shall seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, the Contractor must notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and before the State receiving Contractor's Notice of Election, the State is entitled to defend against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.
- (b) If Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in the handling of the claim and to monitor and advise the State about the status and progress of the defense; (ii) the Contractor must, at the request of the State, demonstrate to the reasonable satisfaction of the State, the Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) the Contractor must periodically advise the State about the status and progress of the defense and must obtain the prior written approval of the State before entering into any settlement of the claim or ceasing to defend against the claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State has the right, at its own expense, to control the defense of that portion of the claim involving the principles of Michigan governmental or public law. But the State may retain control of the defense and settlement of a claim by notifying the Contractor in writing within 10 days after the State's receipt of Contractor's information requested by the State under clause (ii) of this paragraph if the State determines that the Contractor has failed to demonstrate to the reasonable satisfaction of the State the Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State under this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.
- (c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State may defend the claim in the manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor must promptly reimburse the State for all the reasonable costs and expenses.

2.150 Termination/Cancellation – Refer to Applicable GSA Schedule 70 Contract

2.160 Termination by Contractor – Refer to Applicable GSA Schedule 70 Contract

2.170 Transition Responsibilities – Deleted/NA

2.180 Stop Work – Refer to Applicable GSA Schedule 70 Contract



2.190 Dispute Resolution

2.191 IN GENERAL

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work must be resolved as follows. For all Contractor claims seeking an increase in the amounts payable to Contractor under the Contract, or the time for Contractor's performance, Contractor must submit a letter, together with all data supporting the claims, executed by Contractor's Contract Administrator or the Contract Administrator's designee certifying that (a) the claim is made in good faith, (b) the amount claimed accurately reflects the adjustments in the amounts payable to Contractor or the time for Contractor's performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (c) the claim and the supporting data are current and complete to Contractor's best knowledge and belief.

2.192 INFORMAL DISPUTE RESOLUTION

- (a) All disputes between the parties shall be resolved under the Contract Management procedures in this Contract. If the parties are unable to resolve any dispute after compliance with the processes, the parties must meet with the Director of Procurement, DMB, or designee, to resolve the dispute without the need for formal legal proceedings, as follows:
- (1) The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter at issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives shall discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.
- (2) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract shall be honored in order that each of the parties may be fully advised of the other's position.
- (3) The specific format for the discussions shall be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.
- (4) Following the completion of this process within 60 calendar days, the Director of Procurement, DMB, or designee, shall issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies.
- (b) This Section shall not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under Section 2.193.
- (c) The State shall not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under the Contract.

2.193 INJUNCTIVE RELIEF

The only circumstance in which disputes between the State and Contractor shall not be subject to the provisions of **Section 2.192** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is that the damages to the party resulting from the breach shall be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

2.194 CONTINUED PERFORMANCE

Each party agrees to continue performing its obligations under the Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment must not be deemed to preclude performance) and without limiting either party's right to terminate the Contract as provided in **Section 2.150**, as the case may be.

2.200 Federal and State Contract Requirements

2.201 NONDISCRIMINATION

In the performance of the Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, and marital status, physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of this Contract or any purchase order resulting from this Contract will contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required under the



Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and any breach of this provision may be regarded as a material breach of the Contract.

2.202 UNFAIR LABOR PRACTICES

Under 1980 PA 278, MCL 423.321, et seq., the State shall not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, shall not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Under section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, after award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

2.203 WORKPLACE SAFETY AND DISCRIMINATORY HARASSMENT

In performing Services for the State, the Contractor shall comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor shall comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see <http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html>.

2.204 PREVAILING WAGE – DELETED/NA

2.210 Governing Law

2.211 GOVERNING LAW

The Contract shall in all respects be governed by, and construed according to, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

2.212 COMPLIANCE WITH LAWS

Contractor shall comply with all applicable state, federal and local laws and ordinances in providing the Services/Deliverables.

2.213 JURISDICTION

Any dispute arising from the Contract shall be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to the jurisdiction on the grounds of lack of personal jurisdiction of the court or the laying of venue of the court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

2.220 Limitation of Liability – Refer to Applicable GSA Schedule 70 Contract

2.230 Disclosure Responsibilities

2.231 DISCLOSURE OF LITIGATION

Contractor shall disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) shall notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions, to which Contractor (or, to the extent Contractor is aware, any Subcontractor) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor by a governmental or public entity arising out of their business dealings with governmental or public entities. The Contractor shall disclose in writing to the



Contract Administrator any litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") within 30 days of its occurrence. Details of settlements that are prevented from disclosure by the terms of the settlement may be annotated. Information provided to the State from Contractor's publicly filed documents referencing its material litigation shall be deemed to satisfy the requirements of this Section.

If any Proceeding disclosed to the State under this Section, or of which the State otherwise becomes aware, during the term of this Contract would cause a reasonable party to be concerned about:

- (a) the ability of Contractor (or a Subcontractor) to continue to perform this Contract according to its terms and conditions, or
- (b) whether Contractor (or a Subcontractor) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:
 - (1) Contractor and its Subcontractors will be able to continue to perform this Contract and any Statements of Work according to its terms and conditions, and
 - (2) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.
- (c) Contractor shall make the following notifications in writing:
 - (1) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor must notify MDTMB Procurement.
 - (2) Contractor shall also notify MDTMB Procurement within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.
 - (3) Contractor shall also notify MDTMB Purchase Operations within 30 days whenever changes to company affiliations occur.

2.232 CALL CENTER DISCLOSURE

Contractor and/or all subcontractors involved in the performance of this Contract providing call or contact center services to the State shall disclose the location of its call or contact center services to inbound callers. Failure to disclose this information is a material breach of this Contract.

2.233 BANKRUPTCY

The State may, without prejudice to any other right or remedy, terminate this Contract, in whole or in part, and, at its option, may take possession of the "Work in Process" and finish the Works in Process by whatever appropriate method the State may deem expedient if:

- (a) the Contractor files for protection under the bankruptcy laws;
- (b) an involuntary petition is filed against the Contractor and not removed within 30 days;
- (c) the Contractor becomes insolvent or if a receiver is appointed due to the Contractor's insolvency;
- (d) the Contractor makes a general assignment for the benefit of creditors; or
- (e) the Contractor or its affiliates are unable to provide reasonable assurances that the Contractor or its affiliates can deliver the services under this Contract.

Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process shall be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

2.240 Performance – Refer to Applicable GSA Schedule 70 Contract

2.250 Approval of Deliverables

2.251 DELIVERY OF DELIVERABLES

A list of the Deliverables to be prepared and delivered by Contractor including, for each Deliverable, the scheduled delivery date and a designation of whether the Deliverable is a document ("Written Deliverable") or a Custom Software Deliverable is attached, if applicable. All Deliverables shall be completed and delivered for State review and written approval and, where applicable, installed in



accordance with the State-approved delivery schedule and any other applicable terms and conditions of this Contract.

Prior to delivering any Deliverable to the State, Contractor will first perform all required quality assurance activities, and, in the case of Custom Software Deliverables, System Testing to verify that the Deliverable is complete and in conformance with its specifications. Before delivering a Deliverable to the State, Contractor shall certify to the State that (1) it has performed such quality assurance activities, (2) it has performed any applicable testing, (3) it has corrected all material deficiencies discovered during such quality assurance activities and testing, (4) the Deliverable is in a suitable state of readiness for the State's review and approval, and (5) the Deliverable/Service has all Critical Security patches/updates applied.

In discharging its obligations under this Section, Contractor shall be at all times (except where the parties agree otherwise in writing) in compliance with Level 3 of the Software Engineering Institute's Capability Maturity Model for Software ("CMM Level 3") or its equivalent.

2.252 CONTRACTOR SYSTEM TESTING

Contractor will be responsible for System Testing each Custom Software Deliverable in Contractor's development environment prior to turning over the Custom Software Deliverable to the State for User Acceptance Testing and approval. Contractor's System Testing shall include the following, at a minimum, plus any other testing required by CMM Level 3 or Contractor's system development methodology:

Contractor will be responsible for performing Unit Testing and incremental Integration Testing of the components of each Custom Software Deliverable.

Contractor's System Testing will also include Integration Testing of each Custom Software Deliverable to ensure proper inter-operation with all prior software Deliverables, interfaces and other components that are intended to inter-operate with such Custom Software Deliverable, and will include Regression Testing, volume and stress testing to ensure that the Custom Software Deliverables are able to meet the State's projected growth in the number and size of transactions to be processed by the Application and number of users, as such projections are set forth in the applicable Statement of Work.

Contractor's System Testing will also include Business Function Testing and Technical Testing of each Application in a simulated production environment. Business Function Testing will include testing of full work streams that flow through the Application as the Application will be incorporated within the State's computing environment. The State shall participate in and provide support for the Business Function Testing to the extent reasonably requested by Contractor. Within ten (10) days before the commencement of Business Function Testing pursuant to this Section, Contractor shall provide the State for State review and written approval Contractor's test plan for Business Function Testing.

Within five (5) Business Days following the completion of System Testing pursuant to this Section, Contractor shall provide to the State a testing matrix establishing that testing for each condition identified in the System Testing plans has been conducted and successfully concluded. To the extent that testing occurs on State premises, the State shall be entitled to observe or otherwise participate in testing under this Section as the State may elect.

2.253 APPROVAL OF DELIVERABLES, IN GENERAL

All Deliverables (Written Deliverables and Custom Software Deliverables) require formal written approval by the State, in accordance with the following procedures. Formal approval by the State requires that the Deliverable be confirmed in writing by the State to meet its specifications, which, in the case of Custom Software Deliverables, will include the successful completion of State User Acceptance Testing, to be led by the State with the support and assistance of Contractor. The parties acknowledge that the approval process set forth herein will be facilitated by ongoing consultation between the parties, visibility of interim and intermediate Deliverables and collaboration on key decisions.

The State's obligation to comply with any State Review Period is conditioned on the timely delivery of Deliverables being reviewed. If Contractor fails to provide a Deliverable to the State in a timely manner, the State will nevertheless use commercially reasonable efforts to complete its review or testing within the applicable State Review Period.



Before commencement of its review or testing of a Deliverable, the State may inspect the Deliverable to confirm that all components of the Deliverable (e.g., software, associated documentation, and other materials) have been delivered. If the State determines that the Deliverable is incomplete, the State may refuse delivery of the Deliverable without performing any further inspection or testing of the Deliverable. Otherwise, the review period will be deemed to have started on the day the State receives the Deliverable and the applicable certification by Contractor in accordance with this Section.

The State will approve in writing a Deliverable upon confirming that it conforms to and, in the case of a Custom Software Deliverable, performs in accordance with, its specifications without material deficiency. The State may, but shall not be required to, conditionally approve in writing a Deliverable that contains material deficiencies if the State elects to permit Contractor to rectify them post-approval. In any case, Contractor will be responsible for working diligently to correct within a reasonable time at Contractor's expense all deficiencies in the Deliverable that remain outstanding at the time of State approval.

If, after three (3) opportunities (the original and two repeat efforts), Contractor is unable to correct all deficiencies preventing State approval of a Deliverable, the State may: (i) demand that Contractor cure the failure and give Contractor additional time to cure the failure at the sole expense of Contractor; or (ii) keep this Contract in force and do, either itself or through other parties, whatever Contractor has failed to do, in which event Contractor shall bear any excess expenditure incurred by the State in so doing beyond the contract price for such Deliverable and will pay the State an additional sum equal to ten percent (10%) of such excess expenditure to cover the State's general expenses without the need to furnish proof in substantiation of such general expenses; or (iii) terminate this Contract for default, either in whole or in part by notice to Contractor (and without the need to afford Contractor any further opportunity to cure). Notwithstanding the foregoing, the State shall not use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.

The State, at any time and in its own discretion, may halt the UAT or approval process if such process reveals deficiencies in or problems with a Deliverable in a sufficient quantity or of a sufficient severity as to make the continuation of such process unproductive or unworkable. In such case, the State may return the applicable Deliverable to Contractor for correction and re-delivery prior to resuming the review or UAT process and, in that event, Contractor will correct the deficiencies in such Deliverable in accordance with the Contract, as the case may be.

Approval in writing of a Deliverable by the State shall be provisional; that is, such approval shall not preclude the State from later identifying deficiencies in, and declining to accept, a subsequent Deliverable based on or which incorporates or inter-operates with an approved Deliverable, to the extent that the results of subsequent review or testing indicate the existence of deficiencies in the subsequent Deliverable, or if the Application of which the subsequent Deliverable is a component otherwise fails to be accepted pursuant to **Section 2.080**.

2.254 PROCESS FOR APPROVAL OF WRITTEN DELIVERABLES

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work following delivery of the final version of the Written Deliverable (failing which the State Review Period, by default, shall be five (5) Business Days for Written Deliverables of one hundred (100) pages or less and ten (10) Business Days for Written Deliverables of more than one hundred (100) pages). The duration of the State Review Periods will be doubled if the State has not had an opportunity to review an interim draft of the Written Deliverable prior to its submission to the State. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Written Deliverable is approved in the form delivered by Contractor or describing any deficiencies that shall be corrected prior to approval of the Written Deliverable (or at the State's election, subsequent to approval of the Written Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within five (5) Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Written Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Written Deliverable to confirm that the identified deficiencies have been corrected.



2.255 PROCESS FOR APPROVAL OF CUSTOM SOFTWARE DELIVERABLES

The State will conduct UAT of each Custom Software Deliverable in accordance with the following procedures to determine whether it meets the criteria for State approval – i.e., whether it conforms to and performs in accordance with its specifications without material deficiencies.

Within thirty (30) days (or such other number of days as the parties may agree to in writing) prior to Contractor's delivery of any Custom Software Deliverable to the State for approval, Contractor shall provide to the State a set of proposed test plans, including test cases, scripts, data and expected outcomes, for the State's use (which the State may supplement in its own discretion) in conducting UAT of the Custom Software Deliverable. Contractor, upon request by the State, shall provide the State with reasonable assistance and support during the UAT process.

For the Custom Software Deliverables listed in an attachment, the State Review Period for conducting UAT will be as indicated in the attachment. For any other Custom Software Deliverables not listed in an attachment, the State Review Period shall be the number of days agreed in writing by the parties (failing which it shall be forty-five (45) days by default). The State Review Period for each Custom Software Deliverable will begin when Contractor has delivered the Custom Software Deliverable to the State accompanied by the certification required by this Section and the State's inspection of the Deliverable has confirmed that all components of it have been delivered.

The State's UAT will consist of executing test scripts from the proposed testing submitted by Contractor, but may also include any additional testing deemed appropriate by the State. If the State determines during the UAT that the Custom Software Deliverable contains any deficiencies, the State will notify Contractor of the deficiency by making an entry in an incident reporting system available to both Contractor and the State. Contractor will modify promptly the Custom Software Deliverable to correct the reported deficiencies, conduct appropriate System Testing (including, where applicable, Regression Testing) to confirm the proper correction of the deficiencies and re-deliver the corrected version to the State for re-testing in UAT. Contractor will coordinate the re-delivery of corrected versions of Custom Software Deliverables with the State so as not to disrupt the State's UAT process. The State will promptly re-test the corrected version of the Software Deliverable after receiving it from Contractor.

Within three (3) business days after the end of the State Review Period, the State will give Contractor a written notice indicating the State's approval or rejection of the Custom Software Deliverable according to the criteria and process set out in this Section.

2.256 FINAL ACCEPTANCE

"Final Acceptance" shall be considered to occur when the Custom Software Deliverable to be delivered has been approved by the State and has been operating in production without any material deficiency for fourteen (14) consecutive days. If the State elects to defer putting a Custom Software Deliverable into live production for its own reasons, not based on concerns about outstanding material deficiencies in the Deliverable, the State shall nevertheless grant Final Acceptance of the Project.

2.260 Ownership – Deleted/NA

2.270 State Standards – Deleted/NA

2.280 Extended Purchasing – Deleted/NA

2.290 Environmental Provision

This section intentionally left blank.

2.300 Deliverables – Deleted/NA



2.310 Software Warranties

2.311 PERFORMANCE WARRANTY – DELETED NA

2.312 NO SURREPTITIOUS CODE WARRANTY

The Contractor represents and warrants that no copy of licensed Software provided to the State contains or will contain any Self-Help Code or any Unauthorized Code as defined below. This warranty is referred to in this Contract as the “No Surreptitious Code Warranty.”

As used in this Contract, “Self-Help Code” means any back door, time bomb, drop dead device, or other software routine designed to disable a computer program automatically with the passage of time or under the positive control of a person other than the licensee of the software. Self-Help Code does not include Software routines in a computer program, if any, designed to permit an owner of the computer program (or other person acting by authority of the owner) to obtain access to a licensee’s computer system(s) (e.g. remote access via modem) for purposes of maintenance or technical support.

As used in this Contract, “Unauthorized Code” means any virus, Trojan horse, spyware, worm or other Software routines or components designed to permit unauthorized access to disable, erase, or otherwise harm software, equipment, or data; or to perform any other such actions. The term Unauthorized Code does not include Self-Help Code. Unauthorized Code does not include Software routines in a computer program, if any, designed to permit an owner of the computer program (or other person acting by authority of the owner) to obtain access to a licensee’s computer system(s) (e.g. remote access via modem) for purposes of maintenance or technical support.

In addition, Contractor will use up-to-date commercial virus detection software to detect and remove any viruses from any software prior to delivering it to the State.

2.313 CALENDAR WARRANTY

The Contractor represents and warrants that all software for which the Contractor either sells or licenses to the State of Michigan and used by the State prior to, during or after the calendar year 2000, includes or shall include, at no added cost to the State, design and performance so the State shall not experience software abnormality and/or the generation of incorrect results from the software, due to date oriented processing, in the operation of the business of the State of Michigan.

The software design, to insure calendar year rollover compatibility, shall include, but is not limited to: data structures (databases, data files, etc.) that provide 4-digit date century; stored data that contain date century recognition, including, but not limited to, data stored in databases and hardware device internal system dates; calculations and program logic (e.g., sort algorithms, calendar generation, event recognition, and all processing actions that use or produce date values) that accommodates same century and multi-century formulas and date values; interfaces that supply data to and receive data from other systems or organizations that prevent non-compliant dates and data from entering any State system; user interfaces (i.e., screens, reports, etc.) that accurately show 4 digit years; and assurance that the year 2000 shall be correctly treated as a leap year within all calculation and calendar logic.

2.314 THIRD-PARTY SOFTWARE WARRANTY

The Contractor represents and warrants that it will disclose the use or incorporation of any third-party software into the Deliverables. At the time of Delivery, the Contractor shall provide in writing the name and use of any Third-party Software, including information regarding the Contractor’s authorization to include and utilize such software. The notice shall include a copy of any ownership agreement or license that authorizes the Contractor to use the Third-party Software.

2.315 PHYSICAL MEDIA WARRANTY – DELETED NA

2.320 Software Licensing – Deleted/NA



2.330 Source Code Escrow – Deleted/NA



Glossary

Days	Means calendar days unless otherwise specified.
24x7x365	Means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).
Additional Service	Means any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.
Audit Period	See Section 2.110
Business Day	Whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.
Blanket Purchase Order	An alternate term for Contract as used in the States computer system.
Business Critical	Any function identified in any Statement of Work as Business Critical.
Chronic Failure	Defined in any applicable Service Level Agreements.
Deliverable	Physical goods and/or commodities as required or identified by a Statement of Work
DTMB	Michigan Department of Technology, Management and Budget
Environmentally preferable products	A product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to, those that contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.
Excusable Failure	See Section 2.244.
Hazardous material	Any material defined as hazardous under the latest version of federal Emergency Planning and Community Right-to-Know Act of 1986 (including revisions adopted during the term of the Contract).
Incident	Any interruption in Services.
ITB	A generic term used to describe an Invitation to Bid. The ITB serves as the document for transmitting the RFP to potential bidders
Key Personnel	Any Personnel designated in Article 1 as Key Personnel.
New Work	Any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.
Ozone-depleting substance	Any substance the Environmental Protection Agency designates in 40 CFR part 82 as: (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or (2) Class II, including, but not limited to, hydro chlorofluorocarbons
Post-Consumer Waste	Any product generated by a business or consumer which has served its intended end use, and which has been separated or diverted from solid waste for the purpose of recycling into a usable commodity or product, and which does not include post-industrial waste.
Post-Industrial Waste	Industrial by-products that would otherwise go to disposal and wastes generated after completion of a manufacturing process, but do not include internally generated scrap commonly returned to industrial or manufacturing processes.
Recycling	The series of activities by which materials that are no longer useful to the generator are collected, sorted, processed, and converted into raw materials and used in the production of new products. This definition excludes the use of these materials as a fuel substitute or for energy production.
Deleted – Not Applicable	Section is not applicable or included in this RFP. This is used as a placeholder to maintain consistent numbering.
Reuse	Using a product or component of municipal solid waste in its original form more than once.
RFP	Request for Proposal designed to solicit proposals for services
Services	Any function performed for the benefit of the State.
Source reduction	Any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment prior to recycling, energy recovery, treatment, or disposal.
State Location	Any physical location where the State performs work. State Location may include



	state-owned, leased, or rented space.
Subcontractor	A company Contractor delegates performance of a portion of the Services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.
Unauthorized Removal	Contractor's removal of Key Personnel without the prior written consent of the State.
Waste prevention	Source reduction and reuse, but not recycling.
Waste reduction and Pollution prevention	The practice of minimizing the generation of waste at the source and, when wastes cannot be prevented, utilizing environmentally sound on-site or off-site reuse and recycling. The term includes equipment or technology modifications, process or procedure modifications, product reformulation or redesign, and raw material substitutions. Waste treatment, control, management, and disposal are not considered pollution prevention, per the definitions under Part 143, Waste Minimization, of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended.
Work in Progress	A Deliverable that has been partially prepared, but has not been presented to the State for Approval.
Work Product	Refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of an in furtherance of performing the services required by this Contract.



Attachment A - Cost Tables

FedResults is pleased to provide the following pricing to the State of Michigan for Solicitation #RFQ-RS-084R2200127.

Item#	GovDelivery Part Number	Description	Price to State
1	EDSM-GD-254A adjusted based on 26 million potential users	Setup of GovDelivery Email & Digital Subscription Management for enterprise of 26 million potential users	\$39,500.00 Set up \$43,500.00 SaaS = \$83,000.00 total
2	EDSM-GD-254B adjusted based on 26 million potential users	Ongoing GovDelivery Email & Digital Subscription Management for enterprise of 26 million users from October 1, 2012 to September 30, 2013	\$348,000.00/Year
Total:			\$431,000.00
3	EDSM-GD-254B adjusted based on 26 million potential users	Option 1: Ongoing GovDelivery Email & Digital Subscription Management for enterprise of 26 million users from October 1, 2013 to September 30, 2014	\$348,000.00/Year
4	EDSM-GD-254B adjusted based on 26 million potential users	Option 2: Ongoing GovDelivery Email & Digital Subscription Management for enterprise of 26 million users from October 1, 2014 to September 30, 2015	\$348,000.00/Year
5	EDSM-GD-254B adjusted based on 26 million potential users	Option 3: Ongoing GovDelivery Email & Digital Subscription Management for enterprise of 26 million users from October 1, 2015 to September 30, 2016	\$348,000.00/Year
Total including All Option Years:			1,475,000.00